

CITY OF HUNTINGTON PARK

Community Development Department Oversight Board Agenda Report

September 22, 2014

Honorable Chair and Members of the Oversight Board to the Successor Agency
of the City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Members of the Oversight Board to the Successor Agency of the
Community Development Commission of the City of Huntington Park:

RESOLUTION APPROVING AN ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY FOR THE SIX-MONTH PERIOD OF JANUARY 1, 2015 THROUGH JUNE 30, 2015

IT IS RECOMMENDED THAT THE SUCCESSOR AGENCY:

Adopt a Resolution approving an administrative budget for the Successor Agency
for the six-month period of January 1, 2015 to June 30, 2015.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Redevelopment Dissolution Law requires the Successor Agency to prepare an administrative budget and a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period, both of which must be submitted to the Oversight Board for approval. Staff has prepared ROPS 14-15B for the Oversight Board's approval at this meeting as a separate agenda item. Staff recommends that the Board also approve Administrative Budget 14-15B on the same date as the Board's approval of ROPS 14-15B.

The Redevelopment Dissolution Law is unclear regarding the required timing for the submission of the proposed administrative budget to the Oversight Board. However, because the Successor's Agency's administrative expenditures also have to be reflected on the ROPS, Administrative Budget 14-15B and the ROPS for the same period ("ROPS 14-15B") should be consistent.

The Oversight Board must take action by resolution and must provide the State Department of Finance (DOF), by electronic means, written notice and information about the Oversight Board's action. It is important to note that the

RESOLUTION APPROVING AN ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY FOR THE SIX-MONTH PERIOD OF JANUARY 1, 2015 THROUGH JUNE 30, 2015

September 22, 2014

Page 2 of 3

Oversight Board has approved the Administrative Budget 14-15B and ROPS 14-15B at its regular meeting on September 10, 2014, in order to comply with the October 1st deadline. However, both the Administrative Budget and ROPS must also be presented and approved by the Successor Agency.

The attached administrative budget provides additional information regarding personnel costs, benefits, indirect expenses, legal fees totaling \$125,000. General administrative personnel expenses are costs associated with the general administration and operations of the Successor Agency (i.e. preparation and payment of obligations listed in the ROPS, preparation of agendas, minutes, and staff reports for meetings with the Successor Agency and Oversight Board).

FISCAL IMPACT/FINANCING

The Redevelopment Dissolution Law provides for the Successor Agency to receive an Administrative Cost Allowance of not less than \$250,000 for any fiscal year unless the Oversight Board reduces this amount. The allowances are subject to reduction if there are insufficient funds to pay the Successor Agency's enforceable obligations. If funds are available after meeting all payments listed in the ROPS, the Successor Agency will reimburse the general fund for administrative expenses incurred by the City.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under the Redevelopment Dissolution Law, an "Administrative Cost Allowance" is paid to the Successor Agency from property tax revenues allocated by the County Auditor-Controller. The Administrative Cost Allowance is defined as an amount, subject to the approval of the Oversight Board, which is up to 3% of the property tax allocated for enforceable obligations from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller. The amount shall not be less than \$250,000 for any fiscal year unless the Oversight Board reduces this amount. The Administrative Cost Allowance is subject to reduction if there are insufficient funds to pay the enforceable obligations as listed on the ROPS. The Successor Agency is required to submit each proposed administrative budget to the Oversight Board for its approval and then to the County Auditor-Controller and DOF for final approval.

CONCLUSION

Upon approval, the Administrative Budget will be forwarded to the County-Auditor Controller and DOF.

Respectfully submitted,

**RESOLUTION APPROVING AN ADMINISTRATIVE BUDGET FOR THE
SUCCESSOR AGENCY FOR THE SIX-MONTH PERIOD OF JANUARY 1, 2015
THROUGH JUNE 30, 2015**

September 22, 2014

Page 3 of 3



JULIO MORALES
Finance Director

Attachments:

A. Resolution

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**A RESOLUTION OF THE OVERSIGHT BOARD OF DIRECTORS FOR THE
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF HUNTINGTON PARK APPROVING A
PROPOSED ADMINISTRATIVE BUDGET FOR THE SIX-MONTH FISCAL
PERIOD FROM JANUARY 1, 2015 THROUGH JUNE 30, 2015 AND
TAKING CERTAIN RELATED ACTIONS**

RECITALS:

A. Pursuant to Health and Safety Code Section 34177(j), the Successor Agency to the Community Development Commission of the City of Huntington Park (the “Successor Agency”) must prepare a proposed administrative budget for each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed administrative budget to the Oversight Board for the Successor Agency (the “Oversight Board”) for approval.

B. There has been presented to this Board for approval a proposed administrative budget for the Successor Agency for the six-month fiscal period from January 1, 2015 through June 30, 2015 ("Administrative Budget 14-15B").

**NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON
PARK, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:**

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves the proposed Administrative Budget 14-15B substantially in the form attached hereto as Exhibit A.

Section 3. The staff of the Successor Agency is hereby directed to provide the State Department of Finance (“DOF”) written notice and information regarding the action taken by the Oversight Board in Section 2 of this Resolution. Such notice and information

1 shall be provided by electronic means and in a manner of DOF's choosing.

2 Section 4. The officers of the Oversight Board and staff of the Successor Agency
3 are hereby authorized and directed, jointly and severally, to do any and all things which they
4 may deem necessary or advisable to effectuate this Resolution.

5 **PASSED, APPROVED AND ADOPTED** this ___th day of September 2014.

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8 Chair

9 ATTEST:

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13 _____
14 Estevan Padilla, Deputy Clerk
15 Los Angeles County Board of Supervisors
16 Acting as Secretary to the Huntington Park Oversight Board
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EXHIBIT A

**Successor Agency to the Huntington Park Community Development Commission
January 1, 2015 to June 30, 2015 Administrative Budget**

Salaries:	Hrs.	% of Salaries	Amount	Payment Priority
Executive Director	52	0.03	\$ 4,940	1
Finance Officer	165	0.06	\$ 11,700	1
Senior Accountant	104	0.05	\$ 3,848	1
Finance Assistant I	104	0.05	\$ 2,392	1
Revenue Collections Supervisor	104	0.02	\$ 3,848	1
Redevelopment Project Manager	156	0.06	\$ 7,176	1
Secretary	48	0.02	\$ 1,430	1
Community Development Director	130	0.05	\$ 8,970	1
Housing & Community Development Manager	156	0.06	\$ 8,112	1
Benefits (Retirement,workers' comp & liab)				1
Retirement		0.15	\$ 8,904	1
Worker's Comp. & Liab		0.43	\$ 25,524	1
	Total Salaries & Benefits		\$ 82,817	
Successor Agency:				
Successor Agency Professional Legal Fees ¹			\$ 21,091	2
Oversight Board Professional Legal Fees			\$ 21,092	2
	Total		\$ 42,183	
Total Salaries and Other Expenses²			\$ 125,000	

¹ Successor Agency is currently under contract with Richards, Watson & Gershon to provide legal services

² Funding Sources for Administrative Budget to be paid from the Redevelopment Property Tax Trust Fund (RPTTF) and if RPTTF funds are insufficient, then pursuant to the Cooperative Agreement between the Successor Agency and City of Huntington Park

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3 STATE OF CALIFORNIA)
4 COUNTY OF LOS ANGELES) SS
5 CITY OF HUNTINGTON PARK)

6 I, Estevan, Secretary of the Oversight Board, DO HEREBY CERTIFY that the
7 foregoing Oversight Board Resolution No. OSB 2014- 08 was duly adopted by the
8 Oversight Board and approved by the Chair at a meeting of said Oversight Board held on
9 the ___th day of September, 2014 and that it was so adopted as follows:

10
11 AYES:

12 NOES:

13 ABSENT:

14 ABSTAINING:

15 Dated:

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19 _____
20 Estevan Padilla, Deputy Clerk
21 Los Angeles County Board of Supervisors
22 Acting as Secretary to the Huntington Park Oversight
23 Board
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